WRITTEN ANSWERS TO STARRED QUESTIONS

Investment by UTI in Essar

*101 SHRI KARNENDU BHATTACHARJEE: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether Government's attention has been drawn to the news-item appearing in the 'Asian Age' dated 5th August, 2002 under the caption 'Special audit finds UTI invested blindly in Essar';

(b) if so, the details thereof and Government's reaction thereto;

(c) whether Government would take any action on the findings of the Tarapore Committee in this regard; and

(d) if so, the details thereof and if not, the reasons therefor?

THE MINISTER OF FINANCE AND COMPANY AFFAIRS (SHRI JASWANT SINGH): (a) Yes, Sir.

(b) A three member High Level Committee had been constituted by Government, headed by Shri S.S. Tarapore, former Dy. Governor, RBI to conduct an independent inquiry into, *inter alia*, the investment decisions by UTI in Essar Oil. In respect of this investment decision of UTI, the Committee had recommended that there should be a thorough on-side audit of the case before remitting it to an appropriate pre-investigative body. The Committee also recommended that the pre-investigative body could advice whether this case and other cases identified by it were fit for investigation under law.

(c) and (d) As recommended by the Committee, this case alongwith 18 other has been audited and referred to the Advisory Board on Banking, Commercial and Financial Frauds whose recommendations have not yet been received.

Bansagar Hydel Power Project

†*103. SHRI BALKAVI BAIRAGI: Will the Minister of WATER RESOURCES be pleased to state:

(a) whether it is a fact that due to paucity of funds and grave irregularities, work on the ambitious inter-State Bansagar Hydel Power project costing about three thousand crore rupees remained stuck up for

†Original notice of the question was received in Hindi.